

BellSouth Telecommunications, Inc.
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August 20, 2001

VIA HAND DELIVERY

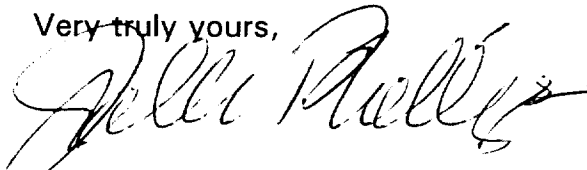
Mr. David Waddell, Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243

Re: *Second Complaint of Discount Communications, Inc. Against
BellSouth Telecommunications, Inc.*
Docket No. 00-01151

Dear Mr. Waddell:

Enclosed please find the original and thirteen copies of an Order Granting Motion of BellSouth Telecommunications, Inc. to Lift Automatic Stay, entered in the United States Bankruptcy Court, Case No. 01-31167-L, on August 20, 2001.

Very truly yours,


Joelle Phillips

JP/jej

Enclosure

cc: Henry Walker, Esquire (w/enclosure)
Vance Broemel, Esquire (w/enclosure)
Richard Collier, Esquire (w/enclosure)

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF TENNESSEE
WESTERN DIVISION

AUG 20 2001

**JED G. WEINTRAUB
CLERK OF COURT**

In re:

ATM DISCOUNT COMMUNICATIONS, INC.

Case No. 01-31167-L

Debtor.

Chapter 11

**ORDER GRANTING MOTION OF
BELLSOUTH TELECOMMUNICATIONS, INC.
TO LIFT AUTOMATIC STAY**

This matter came to be heard on August 15, 2001 upon the motion of BellSouth Telecommunications, Inc. ("BellSouth"), a creditor and party-in-interest, for an order requiring the Debtor to provide adequate assurance of future payment, and, to lift the automatic stay. Upon statements of counsel for the Debtor and BellSouth, and upon the entire record in the cause, the court made oral findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052 which are incorporated herein by reference. Upon a totality of the circumstances, the Court finds that the Court's prior order entered on January 22, 2001 in the Debtor's prior Case No. 00-33928-B is res judicata with respect to the matters raised by BellSouth's motion. Accordingly, the Court finds that the automatic stay pursuant to 11 U.S.C. § 362 should be and is hereby lifted to permit the Debtor and BellSouth to pursue before the Tennessee Regulatory Authority ("TRA") all matters within the TRA's jurisdiction, including, but not limited to, all pending matters relating to the Debtor and BellSouth's petition to terminate service to the Debtor. The Court further finds that if the TRA approves termination of service then the automatic stay is lifted to

In re ATM Discount Communications, Inc.
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To Lift Automatic Stay

permit BellSouth to terminate service in accordance with any order from the TRA. The Court further finds that the automatic stay is further lifted to permit the Debtor and BellSouth to pursue all of their rights of appeal from the TRA to the Tennessee Court of Appeals.

The Court further finds that the question as to the amount of any security deposit or daily escrow to which BellSouth is entitled to for postpetition service pursuant to 11 U.S.C. § 366 should, under the circumstances, be determined by the TRA. Accordingly, the Court sua sponte abstains from deciding this issue and directs BellSouth to raise such issue before the TRA.

The Court finds that BellSouth's request to apply its prepetition deposit of \$50,000.00 to the Debtor's prepetition debt is denied without prejudice pending resolution of pending issues before the TRA.

IT IS SO ORDERED.

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF TENNESSEE
A TRUE COPY ATTEST

AUG 20 2001

BANKRUPTCY JUDGE

By

Clock

Jennie D. Latta
HONORABLE JENNIE D. LATTA
UNITED STATES BANKRUPTCY JUDGE

Dated: AUGUST 20 2001

In re ATM Discount Communications, Inc.
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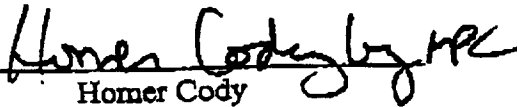
APPROVED:

WARING COX PLC

By: 

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LAW OFFICE OF HOMER CODY


Homer Cody
Attorney for Debtor